

FISCAL NOTE

Bill #: HB0158

Title: Revise storage tank inspection and closure law

Primary

Sponsor: Karl Ohs

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
State Special Revenue	\$50,000	\$50,000
Revenue:		
State Special Revenue	\$193,160	\$186,795
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long- Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. If HB159 passes and the electorate approves the ballot issue, the estimated number of inspector licenses issued is 40 in FY 2000 and 10 in FY 2001; estimated annual revenue is 40 licenses x \$100 = \$4,000 for FY 2000 and 10 licenses x \$100 = \$1,000 for FY 2001.
2. If HB160 passes and the electorate approves the ballot issue, the estimated number of inspector license renewals is 0 in FY 2000 (new program) and 40 in FY 2001; estimated annual revenue is 0 renewals x \$50 = \$0 in FY 2000 and 40 renewals x \$50 = \$2,000 in FY 2001.
3. If HB161 passes and the electorate approves the ballot issue, the estimated number of inspector study guides sold is 40 in FY 2000 and 10 in FY 2001; estimated annual revenue is 40 guides x \$175 = \$7,000 in FY 2000 and 10 guides x \$175 = \$1,750 in FY 2001.

4. If HB162 passes and the electorate approves the ballot issue, the estimated number of inspector reexaminations is 4 in FY 2000 and 1 in FY 2001; estimated annual revenue is 4 reexaminations x \$35 = \$140 in FY 2000 and 1 reexamination x \$35 = \$35 in FY 2001.
5. If HB163 passes and the electorate approves the ballot issue, the estimated number of duplicate inspector licenses issued is 2 in FY 2000 and 1 in FY 2001; estimated annual revenue is 2 duplicates x \$10 = \$20 in FY 2000 and 1 duplicate x \$10 = \$10 in FY 2001.
6. If HB164 passes and the electorate approves the ballot issue, the estimated number of 1,100 gallon or less tanks is 600 for FY 2000 & FY 2001; estimated increased revenue (a/e 02075) is 600 tanks x \$20 increase = \$12,000 each year.
7. If HB165 passes and the electorate approves the ballot issue, the estimated number of 1,101+ gallon tanks = 3,400 for FY 2000 & FY 2001; estimated increased revenue is 3,400 tanks x \$50 increase = \$170,000 each year.
8. It is estimated that 40 facilities (100 tanks) that are abandoned or where the owner is unable to pay for closure where DEQ may conduct site assessment and closure activities. The estimated cost of this work is \$10,000 per facility (for site assessments, emptying tanks, filing liens, etc.) and it is estimated that the program could perform work at approximately 5 facilities per year. Estimated expenditures = 5 facilities x \$10,000 per facility = \$50,000 per year.
9. The DEQ UST program will evaluate the availability of funds, the potential for recovery of expenditures, and the environmental risk prior to committing funds to closure activities.
10. DEQ UST program staff will shift current efforts to the development and oversight of a third party inspection program. The 2001 biennium UST budget as recommended by the Governor is adequate to cover this shift in program approach, exclusive of tank closure costs (i.e. \$50,000 per year).

FISCAL IMPACT:

	FY2000 Difference	FY2001 Difference
FTE	0.00	0.00
<u>Expenditures:</u>		
Operating Expenses	\$50,000	\$50,000
<u>Funding:</u>		
State Special Revenue (02)	\$50,000	\$50,000
<u>Revenues:</u>		
State Special Revenue (02)	\$193,160	\$186,795
<u>Net Impact to Fund Balance (Revenue minus Expenditure:</u>		
State Special Revenue (02)	\$143,160	\$136,795

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

1. Local Governmental Units (LGUs), at their own discretion, can choose to maintain, increase, or decrease their current level of involvement in conducting inspections. Therefore, the amount of revenue increase or decrease to LGUs is under their control.

2. Costs to counties and cities for annual inspections would be insignificant, as the number of tanks requiring inspections is minimal. For example, the cost to inspect 6 facilities/tanks, at an estimated maximum cost of \$300 per facility/tank (market driven), would be \$1,800 annually. The UST program indicates that counties and cities own a small number of tanks. The estimated maximum per local entity is 6 tanks. The effect on local governments appears to be insignificant.

TECHNICAL NOTES:

Need to coordinate HBs 161,162,163,164 and 165 ballot issues with this bill and to determine whether it is appropriate to combine any of those measures. At an average one-time cost of about \$34,000 per small ballot issue, it may not be cost effective to present all these items separately.